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TO RUEHC/SECSTATE WASHDC IMMEDIATE 3603
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6146
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RUEHBY/AMEMBASSY CANBERRA PRIORITY 4398
RUEHLO/AMEMBASSY LONDON PRIORITY 0184
RUEHGP/AMEMBASSY SINGAPORE PRIORITY 6731
RUEHKO/AMEMBASSY TOKYO PRIORITY 8333
RUEHGZ/AMCONSUL GUANGZHOU PRIORITY 9849
RUEHHK/AMCONSUL HONG KONG PRIORITY 7377
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0409
RUEHGH/AMCONSUL SHANGHAI PRIORITY 0665
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHMFISS/HQ BICE WASHINGTON DC PRIORITY

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STATE FOR EAP/TC AND ISN/MTR

E.O. 12958: DECL: 01/06/2027

TAGS: [ETTC](#) [PARM](#) [KNNP](#) [NK](#) [TW](#) [SN](#)

SUBJECT: MTAG: TAIWAN BOFT ON SEIZED LATHES

REF: A. 06 STATE 204021

[1](#)B. STATE 257

[1](#)C. SINGAPORE 27

Classified By: AIT Econ Chief Daniel K. Moore, 1.4 B/C

[1](#)1. (S) AIT Econ delivered ref A demarche to Bureau of Foreign Trade (BOFT) Export Control Task Force Chief Wally Su (Shi-hwa) on January 3 and urged full investigation of the case. Su was confident that his staff could uncover significant new information on the case within a few days. In response to ref B proposal on dates for EXBS training, Su suggested that March 6-8 would be more practical. End summary.

Precision Lathes seized in Singapore

[1](#)2. (S) Su was already familiar with the case described in ref A demarche (i.e., precision lathes exported by Trans Merits subsequently seized by Singapore officials at U.S. request). He said that Taiwan's National Security Bureau (NSB) had asked him to begin investigating this case in late December, but had not provided him with detailed or accurate information, and so he could only assume it was the shipment from Trans Merits based on corresponding details in the export declaration.

BOFT will conduct own investigation

[1](#)3. (S) Su was pleased with the level of detail in our demarche and expressed confidence that BOFT personnel could use these details to find out considerable further information about the shipment and specifications of the machines without alerting Trans Merits to the investigation. He recommended against an AIT approach to the Ministry of Justice Investigation Bureau (MJIB) at this time. He questioned whether MJIB wire taps or other surveillance methods would uncover any useful information. He said he suspected that the players involved were smart enough to conduct business discussions outside of Taiwan and to avoid obvious illegality. However, he thought that BOFT could use

its bureaucratic powers to coerce Trans Merits executives into providing information on the transaction.

¶4. (S) Note: We read Su's reluctance to request assistance in investigating this case as an indication of BOFT frustration in trying to work with the MJIB. However, Su again noted that both Customs and companies are paying more attention to export control issues. Su also noted that Taiwan authorities have not been contacted by either Singapore officials or Trans Merits regarding this case. End note.

Dates for EXBS training

¶5. (SBU) Su noted that ref B proposed dates for training are during the lunar new year celebrations, and therefore not practical. He proposed the training instead be held March 6-8. He also questioned why the second course in the agreed training schedule (Targeting and Risk Management) was skipped without explanation.

WANG